

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,)
Plaintiff,)
v.) Case No. 1:14-cv-11858-NMG
TELEXFREE, INC.,)
TELEXFREE LLC,)
JAMES M. MERRILL,)
CARLOS N. WANZELER,)
STEVEN M. LABRIOLA,)
JOSEPH H. CRAFT,)
SANDERLEY RODRIGUES DE VASCONCELOS,)
SANTIAGO DE LA ROSA,)
RANDY N. CROSBY and)
FAITH R. SLOAN,)
Defendants,)
and)
TELEXFREE FINANCIAL, INC.,)
TELEXELECTRIC, LLC and)
TELEX MOBILE HOLDINGS, INC.,)
Relief Defendants.)

~~CONFIDENTIAL~~
**PRELIMINARY INJUNCTION, ORDER FREEZING ASSETS,
AND ORDER FOR OTHER EQUITABLE RELIEF AS TO RELIEF DEFENDANTS
TELEXELECTRIC, LLC AND TELEX MOBILE HOLDINGS, INC.**

Having considered the emergency *ex parte* motion for a temporary restraining order, order freezing assets, and order for other equitable relief filed by plaintiff Securities and Exchange Commission (“the Commission”), as well as the Complaint, the Commission’s memorandum of law and accompanying evidentiary materials submitted on both its motion for temporary restraining order and for a preliminary injunction, and oral argument at the hearing on

May 7, 2014, the Court finds that the Commission has made the showing required by Fed. R. Civ. P. 65(a) that: (there is a strong indication that unless restrained and enjoined by Order of this Court, defendants TelexElectric, LLC., and Telex Mobile Holdings, Inc., may dissipate and conceal assets which could be subject to an order of disgorgement or an order to pay a civil monetary penalty in this action; and entry of a preliminary injunction, asset freeze, and order for other equitable relief is in the public interest:

I.

IT IS HEREBY FURTHER ORDERED that:

A. Defendants TelexElectric, LLC and Telex Mobile Holdings, Inc. and each of their officers, agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including via facsimile or email transmission, or overnight delivery service, shall hold and retain funds and other assets of said defendants and relief defendant presently held by them, for their direct or indirect benefit, under their direct or indirect control or over which one or more of them exercise actual or apparent investment or other authority, in whatever form such assets may presently exist and wherever located, and are restrained from taking any actions to withdraw, sell, pay, transfer, dissipate, assign, pledge, alienate, encumber, dispose of, or diminish the value of in any way (including, but not limited to, making any charges on any credit card or draws on any other credit arrangement), any funds and other assets of TelexElectric, LLC and Telex Mobile Holdings, Inc, presently held by them, for their direct or indirect benefit, under their direct or indirect control, or over which one or more of them exercise actual or apparent investment or other authority, in whatever form such assets may presently exist and wherever located.

B. All banks, brokerage and other financial institutions and other persons or entities

(including but not limited to payment processors, investors and/or promoters) that receive actual notice of this Order by personal service or otherwise, including via facsimile or email transmission, or overnight delivery service, holding any funds or other assets in the name, for the direct or indirect benefit, or under the direct or indirect control of TelexElectric, LLC and Telex Mobile Holdings, Inc. or over which one or more of them exercise actual or apparent investment or other authority, in whatever form such assets may presently exist and wherever located, shall hold and retain within their control and prohibit the withdrawal, removal, sale, payment (including, but not limited to, any charges on any credit card or draws on any other credit arrangement), transfer, dissipation, assignment, pledge, alienation, encumbrance, diminution in value, or other disposal of any such funds or other assets; and that such funds and assets are hereby frozen. NMG

C. The above Paragraphs I.A and I.B shall immediately cease to apply to any assets located within the United States, including any bank, brokerage or other financial institution account, which becomes subject to any later order entered by any federal court as a result of proceedings which may be filed by the United States or any department or agency thereof under any federal civil or criminal forfeiture statute, to the extent such later order requires the transfer of any asset to the United States government.

II.

IT IS HEREBY FURTHER ORDERED that TelexElectric, LLC and Telex Mobile Holdings, Inc, and each of their agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, including via facsimile or email transmission, or overnight delivery service, are hereby restrained from destroying, mutilating, concealing, altering, disposing, or transferring

custody of any items, including but not limited to any books, records, documents, correspondence, contracts, agreements, assignments, obligations, tape recordings, computer media or other property relating to defendants or the misconduct described in the Complaint.

III.

IT IS HEREBY FURTHER ORDERED that the Commission, notwithstanding the provisions of Fed. R. Civ. P. 26(d) and the Local Rules of this Court, may continue discovery in aid of its asset freeze in this case.

IV.

IT IS HEREBY FURTHER ORDERED that, unless otherwise ordered by the Court, this Preliminary Injunction shall remain in effect until entry of a Final Judgment or other final disposition of this action.



UNITED STATES DISTRICT JUDGE

Dated: May 8, 2014 at 1:25 ~~am~~/p.m.